

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 11236 231429Z

42

ACTION SNM-02

INFO OCT-01 EUR-25 NEA-14 IO-14 ISO-00 AID-20 L-03 CIAE-00

INR-11 NSAE-00 RSC-01 OMB-01 TRSE-00 HEW-08 SCI-06

AGR-20 IGA-02 EB-11 DRC-01 /140 W

----- 036385

R 231353Z AUG 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3447

INFO AMEMBASSY ANKARA

USMISSION GENEVA

DEA HQS WASH DC

C O N F I D E N T I A L NEW DELHI 11236

E.O. 11652: GDS

TAGS: SNAR, IN

SUBJ: PROSPECTS FOR INCREASING OPIUM PRODUCTION

REF: (A) STATE 166175 (B) STATE 137751

SUMMARY: THE GOI WILL NOT INCREASE THE AREA OF CULTIVATION, BUT SOME PROGRESS IN RAISING THE MORPHINE YIELD MAY OCCUR IN THREE YEARS. THE INCISED POPPY STREAM PLANT WILL NOT GO ON STREAM UNTIL 1978 AT THE EARLIEST. THE EXPORT PRICE OF OPIUM MAY BE RAISED BY AT LEAST 33 PERCENT IN 1975. THE INDIANS DO NOT SEEM CONCERNED BY PROSPECTS OF THE US GROWING PAPAVER BRACH-TEATUM. END SUMMARY.

2. EMBOFF DISCUSSED PROSPECTS OF INCREASING INDIAN OPIUM PRODUCTION WITH DEPUTY NARCOTICS COMMISSIONER A.P. AGRAWAL. AGRAWAL WAS FURNISHED WITH LATEST ESTIMATES OF US IMPORT REQUIREMENTS FOR 1974 (REF. A), AND WAS INFORMED THAT THE US OPIUM STOCKPILE WOULD BE EXHAUSTED BY 1976 AT PRESENT CONSUMPTION RATES. HE REPLIED THAT INDIA COULD NOT POSSIBLY SATISFY MORE THAN HALF OF THE REVISED US REQUIREMENT FOR 420 TONS. IF THE WEATHER IS GOOD, THE GOI HOPES TO MAKE 1,0; TONS OF GUM OPIUM AVAILABLE FOR EXPORT IN 1975 AND 1976. AGRAWAL AGAIN EMPHASIZED THAT THE

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 NEW DE 11236 231429Z

INDIANS WILL NOT INCREASE THE AREA OF POPPY CULTIVATION, FOR

FEAR OF ENCOUNTERING SIGNIFICANT CONTROL PROBLEMS.

2. INTENSIVE CULTIVATION. AGRAWAL SAID THAT THE INDIAN RESEARCH PROGRAM IS MAKING SOME PROGRESS IN RAISING THE MORPHINE YIELD OF POPPIES, ALTHOUGH NO BREAKTHROUGHS HAD BEEN ACHIEVED. HE HOPED THAT THERE WOULD BE CONCRETE RESULTS IN ANOTHER 2 OR 3 YEARS, SUCH AS RAISING THE MORPHINE YIELD BY ONE PERCENTAGE POINT. AGRAWAL SAID THAT THE UN LABORATORY RESEARCH PROGRAM HAD SO FAR ACHIEVED NOTHING OF USE TO INDIA.

3. POPPY STRAW. THE INDIANS EXPECT TO EXPORT 8-10,000 TONS OF POPPY STRAW IN 1975 AND 1976. AGRAWAL REMARKED THAT HIGH SHIPPING COSTS WERE AN IMPORTANT FACTOR IN INHIBITING THE GROWTH OF BULK STRAW EXPORTS TO EUROPE. HE SAID THAT THE GOI WOULD PROBABLY BUILD A SINGLE 12,000 TON CAPACITY POPPY STRAW PROCESSING PLANT, ALTHOUGH A FINAL DECISION WOULD NOT BE MADE UNTIL THE END OF 1974. REPLYING TO EMBOFF'S QUESTION ON ACCELERATING THE CONSTRUCTION OF THE POPPY STRAW PLANT, AGRAWAL SAID THAT IT WOULD NOT BE POSSIBLE TO BRING THE PLANT ON STREAM BEFORE 1978. HE REMARKED THAT NO UN OR BILATERAL ASSISTANCE IN SECONDARY STRAW PROCESSING WAS NEEDED, SINCE THE EUROPEAN COMPANY WHICH WOULD CONSTRUCT THE PLANT ALREADY HAD SUFFICIENT KNOW-HOW. IF DEMAND FOR POPPY STRAW CONTINUED TO BE STRONG, ABOUT 5,000 TONS BULK STRAW COULD BE EXPORTED EVEN AFTER THE PLANT GOES INTO OPERATION.

4. NEW PRODUCERS. SINCE WORLD DEMAND FOR MEDICINAL OPIUM FAR OUTSTRIPS SUPPLY, THE GOI IS NOT CONCERNED IF OTHER COUNTRIES, INCLUDING TURKEY, BEGIN PRODUCING OPIUM. AGRAWAL NOTED THAT US DRUG COMPANIES ARE NOW EXPERIMENTING WITH PAPAVER BRACHTEATUM, AND REMARKED THAT US PRODUCTION OF BRACHTEATUM WOULD TAKE SOME OF THE PRESSURE OFF INDIA. HE SAID THAT A FRENCH DRUG FIRM, FRANCOPIA, IS A LEADER IN BRACHTEATUM TECHNOLOGY, AND IS CURRENTLY DISCUSSING THE POSSIBILITY OF LARGE SCALE CULTIVATION IN IRAN WITH THE IRAIAN GOVERNMENT.

5. PRICING. AGRAWAL SAID THAT THE GOI IS CONSIDERING A RAISE OF 60 PERCENT IN THE PRICE TO THE CULTIVATORS, TO TAKE EFFECT NEXT SPRING. HE WAS NOT SURE HOW MUCH THIS INCREASE WOULD BE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 NEW DE 11236 231429Z

REFLECTED IN THE EXPORT PRICE, BUT EXPECTED THAT FOREIGN DRUG COMPANIES WOULD PAY AT LEAST ONE-THIRD MORE FOR THEIR OPIUM IN 1975.

6. COMMENT: THE EMBASSY BELIEVES THAT NEITHER BILATERAL NOR MULTILATERAL INITIATIVES WILL HAVE ANY EFFECT UPON INDIAN PRODUCTION PLANS. INDIA IS NOT TRYING TO EXPLOIT ITS POSITION AS THE SOLE PRODUCER OF LEGAL OPIUM, AND THE GOI DOES NOT SEEM

DISTURBED BY PROSPECTS OF US PHARMACEUTICAL COMPANIES GROWING
PAPAVER BRACHTEATUM IN THE US.
MOYNIHAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OPIUM, EXPORTS, DRUGS, NARCOTICS, AGRICULTURAL PRODUCTION
Control Number: n/a
Copy: SINGLE
Draft Date: 23 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE11236
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740233-0753
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740823/aaaaaszg.tel
Line Count: 118
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SNM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) STATE 166175 (B) STATE 137751
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2002 by boyleja>; APPROVED <04 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROSPECTS FOR INCREASING OPIUM PRODUCTION
TAGS: SNAR, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005